

Attachment to Scoping Report Additional Information Regarding Cook Inlet EIS Scoping

The Cook Inlet Scoping report lists information MMS received during public scoping. It provides information about the issues, environmental resource categories, alternatives, and mitigating measures that will be analyzed in the EIS.

This attachment provides additional scoping information. First, it discusses the EIS content and format. Second, it provides information about issues that will be discussed in Section I.D of the EIS, but not evaluated in further detail in effects and cumulative sections of the EIS (Sections IV and V).

I. Hydrocarbon Resource Levels and Exploration and Development Scenarios.

For analytical purposes, the EIS assumes the amount of oil under consideration in the planning area to be 140 MMbbls along with 0.19 TCF of gas, all developed from a single platform. The analysis for the 2002-2007 5-Year Program was based upon two sales with each producing that volume of oil and gas. Our revised numbers for this EIS are consistent with the low end of the scenario range developed and analyzed in the 5-Year EIS. These resource levels are reflective of the information subsequently provided by industry in response to the Call for Nominations and Information for Sales 191 and 199. The oil will be produced first and the gas will be reinjected to maximize oil recovery. Natural gas production will start after oil production in the reservoir is largely depleted.

The lease sales are scheduled in 2004 and 2006. We are assuming exploration, development and production activities from Sale 191 and exploration activities as a result of Sale 199. However, the results of exploration from Sale 199 could help shape the development and production activity resulting from Sale 191. That is, in considering the collective results of exploration from both sales, MMS assumes that a single development of an oil and gas reservoir at one location will occur. For analysis purposes, the proposals and the cumulative effects' analysis in the EIS assume exploration from 2005 through 2007 and the single the development in 2008, if either or both sales are actually held. MMS also assumes that production would start in 2009. The EIS clearly indicates that if, instead of the above scenario, development activity results from Sale 199, the development and production scenario would be expected to be essentially the same as that assumed for Sale 191 and will not be repeated.

The EIS will present the resources in the sales and alternatives in relationship to an "opportunity index." This concept was developed to better reflect the economic and geologic conditions in Alaska. For development to occur, a company must find a field that is economic in size. It must be big enough so that potential income will exceed the costs of development and provide some level of profit to offset the economic and geologic risks. For Cook Inlet, we assume that if oil is discovered on the OCS, the pool would have to be at least approximately 140 MMbbls or more in size for it to be developed. It would be misleading for the EIS to assume that quantities of oil below that threshold could be assigned to a deferral area (e.g., 10,000 bbls). Removing a deferral area that has oil and gas resource potential from a proposed lease sale, lowers the likelihood of discovering an economic field, hence the "opportunity index." This number

represents MMS's best professional judgement of the "contribution" that deferral area provides to the potential discovery of an economic oil and gas development. That number represents the importance or opportunity lost if the deferral is chosen.

Under this concept, the EIS does not assign a specific amount of oil to the deferral area, therefore the evaluation of the deferral alternative(s) does not decrease the amount of oil in our oil spill model. The launch points within a deferral area will be removed from the model and new probability of contacts are calculated for the resource area(s) and land segments of interest, but the overall quantity of oil is not decreased. The platform size, the number of well, the miles of pipeline, the amount of disturbance, discharges, etc., do not decrease with the deferral alternative. They just occur in a different location.

II. Issues to be Evaluated in Section I.D of the EIS only.

As part of the scoping process, MMS must identify and eliminate for detailed study those issues (raised in scoping) that are not significant to the proposed action or that have been covered by prior environmental review. This process is sometimes described as "scoping out." Those issues are covered below. The scoping issue as described in the scoping meetings is provided in the first column. The second column describes our rationale for discussing them only in section I.D.

1. Water Quality

Kenai peninsula communities dumping untreated wastes into Cook Inlet.	This issue is not related to the proposed action but may be considered in the cumulative analysis and is part of the baseline condition.
Stop new development until we know more, need baseline studies about contaminants in species.	The EIS will evaluate the effects of contaminants from proposed operations to water quality and the environment. It will also evaluate effects to water quality in the cumulative analysis. There is considerable information about contaminants from existing and potential oil and gas operations, which MMS feels is adequate to proceed with the preparation of the EIS. Several commenters identified much of this information during scoping.

2. Oil Spills and Aging Infrastructure in State Waters

Use worst-case oil spill to study socioeconomic effects to tourism economy using park attendance as an indicator, to subsistence, and to the commercial and sport fishing industry.	The EIS analyzes oil spill risk and is considered adequate. Worse case analysis is not required by NEPA CEQ regulations when there is adequate information.
Commenters were concerned about the aging oil and gas infrastructure associated with existing platforms and pipelines in State waters.	MMS does not manage nor can we regulate existing oil and gas facilities in State waters. Effects from this infrastructure may be considered in the cumulative analysis and effects to resources.

3. Administrative Issues that Relate to the Terms and Conditions of the Sale, but are not Environmental in Nature

Explore whether variable terms and options in lease sale will attract new interest.	This issue is not environmental in nature, therefore it is beyond the scoping of the EIS
Compare royalties received by the state with profit received by corporations from operations in the lower Cook Inlet.	This issue is not environmental in nature, therefore it is beyond the scoping of the EIS
Limit scope of sale to those tracts that might hold industry interest.	The Call for Information and Nominations was issued on December 31, 2001, and it requested this information. That information was considered in the Area Identification Process and the selection of the sale area in the Proposal (Alternative 1)

4. Administrative Issues beyond the Scope of the EIS

What are they doing with the drilling byproducts from onshore drilling around Anchor Point?	OCS activities from this proposed sale or from past OCS Cook Inlet sales have not generated byproducts from this drilling site. This topic is beyond the scope of the EIS, but may be considered in the cumulative analysis
Eastland patent for power transmission. (HAARP)	This comment was received but is not applicable to the proposed project and EIS
Pilots for tankers in the Cook Inlet.	This issue is not germane to the proposed action.
Security for tankers and offshore structures against terrorist threats.	The security of tankers and other vessels engaged in maritime commerce is beyond the scope of the EIS. The security of offshore structures are confidential and should not be displayed and distributed in public documents.
Can the EIS force alienation of property rights?	The purpose of the EIS is to evaluate environmental impacts. It has no effect on property rights. This issue is an administrative and legal issue, with no apparent direct environmental impacts to the EIS; it is an allegation that must be resolved in other forums, if at all.
Space vehicle launch trajectory from Kodiak Island and offshore structures.	The launch trajectory footprint from the onshore facility at Kodiak Island is outside the affected area of the proposed action.
Impact Assistance	One of the 5 points of the Tri-borough agreement is the request for impact assistance. However, only the U.S. Congress can appropriate funds, not MMS.
Consider new technologies as suggested by Dr. Nick Begich in the "Earth Rising, the Revolution."	MMS reviewed the book and found the proposed technology is neither technically nor economically feasible at this time.

5. Non-Sale Related Issues that are beyond the Scope of the EIS

Cook Inlet tribes would like follow up to the 1998 EPA subsistence contamination study to determine the potential contribution of contaminants produced by Cook Inlet oil and gas operations.	These comments and concerns relate to issues under direction of the Department of the Interior, the MMS, and other government agencies and their guiding regulations, statutes, and laws. While MMS takes note of these concerns, they were considered, but not included for analysis in the EIS.
Port Graham native village would like to be informed of the release of contaminant studies before it is available to the public.	
Open Alaska National Wildlife Refuge rather than Cook Inlet to leasing.	
Indicate how MMS will carry out its Section 106 of National Historic Preservation Act responsibilities.	

OCS revenues (which include Land and Water Conservation Fund) should be set aside in trust funds, shared with local governments, or used to assist local fishermen.	
Stipulations must reflect known environmental and operational risks.	

In addition to the proposal (Alternative I), the EIS will evaluate the two alternatives (Lower Kenai Peninsula Deferral and Barren Islands Deferral) identified in the Area ID and scoping report, which were suggested during the scoping process. MMS did not receive any suggestions to consider the alternatives that were evaluated in Sale 149. Most of the alternatives evaluated in Sale 149 were suggested by the public as a way to help avoid potential conflicts with commercial fishing activities. However, the analysis in Sale 149 found they were not that effective in eliminating the potential use conflicts.

The Sale 149 EIS and lease sale process did result in the development of the Protection of Fisheries stipulation, which requires the oil and gas industry to meet and work with the commercial fishing industry to minimize conflicts. At the scoping meetings, MMS indicated that stipulation would be evaluated in the EIS. No new mitigating measures were proposed for this EIS during scoping.